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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from

Commission file number 0-19737

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NOEL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	13-2649262
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
667 Madison Avenue, New York, New York (Address of principal executive offices)	10021 (Zip Code)

(212) 371-1400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the securities Exchange Act of 1934 during the preceding 12 months, (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 8, 1992
Common Stock - $.10 Par Value	20,192,233

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NOEL GROUP, INC. AND SUBSIDIARY

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PART I - FINANCIAL INFORMATION

Item 1. - Financial Statements

NOEL GROUP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

(dollars in thousands, except par value)

	March 31, 1992	December 31, 1991
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	$74,743	$11,196
Short-term investments	38,049	-
Marketable securities	584	584
Accounts and accruals receivable, less allowance for doubtful accounts of $180 and $690	4,828	7,168
Inventory	4,654	4,780
Other current assets	939	466
	123,697	24,194
Investments	44,966	43,895
Property and equipment, less accumulated depreciation of $207 and $182	389	395
Intangible assets, less accumulated amortization of $145 and $103	2,869	2,911
Other assets	1,948	1,935
	$173,869	$73,330
Liabilities and Stockholders' Equity		
Current Liabilities:		
Short-term debt	$8,426	$8,982
Current portion of long-term debt	22	22
Accrued interest payable	64	61
Income taxes payable	22	24
Trade accounts payable	856	812
Other current liabilities	2,184	2,814
	11,574	12,715
Long-term debt	21	22
	11,595	12,737
Stockholders' Equity:		
Preferred stock, $.10 par value, 2,000,000 shares authorized, none outstanding	-	-
Common stock, $.10 par value, 48,000,000 shares authorized, 20,203,233 and 10,203,233 issued, respectively	2,020	1,020
Capital in excess of par value	219,742	118,242
Accumulated deficit	(58,946)	(58,182)
Treasury stock at cost, 11,000 shares	(487)	(487)
Cumulative translation adjustment	(55)	-
	162,274	60,593
	$173,869	$73,330

The accompanying notes are an integral part

NOEL GROUP, INC. AND SUBSIDIARY
Consolidated Statements of Operations
Three Months Ended March 31,
(Unaudited)
(dollars in thousands, except per share amounts)

	1992	1991
Revenue Items:		
Sales	$3,519	$ -
Cost and Expense Items:		
Cost of sales	2,376	-
Selling, general, administrative and other expenses	2,697	1,089
Depreciation and amortization	67	13
	5,140	1,102
Operating loss	(1,621)	(1,102)
Other Income (Expense):		
Other income	562	496
Interest expense	(137)	-
	425	496
Loss before provision for income taxes	(1,196)	(606)
Provision for income taxes	(22)	-
Loss from consolidated companies	(1,218)	(606)
Income from investments	454	30
Net loss	($764)	($576)
Net loss per common and common equivalent share	($0.05)	($0.05)
Weighted average common and common equivalent shares	16,895,530	10,636,781

The accompanying notes are an integral part of these financial statements.

NOXL GROUP, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31,
(Unaudited)
(dollars in thousands)

	1992	1991
Net cash used for operating activities	($272)	($3,239)
Cash Flows From Investing Activities:		
Purchases of investments	(672)	(1,559)
Change in short-term investments	(38,049)	-
Additions to property and equipment	(19)	-
Other, net	(13)	-
Net cash used for investing activities	(38,753)	(1,559)
Cash Flows From Financing Activities:		
Issuance of common stock, net	103,129	-
Repayments of short-term debt	(556)	-
Other, net	(1)	(8)
Net cash provided from (used for) financing activities	102,572	(8)
Net increase (decrease) in cash and cash equivalents	$63,547	($3,796)

The accompanying notes are an integral part of these financial statements.

NOEL GROUP, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
As of March 31, 1992 and for the
Three Months Ended March 31, 1992 and 1991
(Unaudited)

1. Summary of Significant Accounting Policies:

General

The consolidated financial statements included in this Form 10-Q have been prepared by Noel Group, Inc. ("Noel"), without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. While Noel believes that the disclosures made are adequate to make the information presented not misleading, it is recommended that these consolidated financial statements be read in conjunction with the financial statements and the notes thereto included in Noel's annual report for the year ended December 31, 1991. In the opinion of management, the information furnished reflects all adjustments which are necessary to fairly present such information. These adjustments, except as otherwise disclosed, consist only of normal recurring adjustments.

Consolidation

The consolidated financial statements include the accounts of Noel and its majority-owned subsidiary, Simmons Outdoor Corporation ("Simmons"), (collectively the "Company"), after the elimination of significant intercompany transactions. Simmons is included only in the results of operations for the three months ended March 31, 1992, because it was acquired on July 12, 1991. On October 31, 1991, Noel increased its interest in Sylvan Foods Holdings, Inc. ("Sylvan Foods") to 25% of Sylvan Foods' common shares outstanding and accordingly began to account for its investment in Sylvan Foods on the equity method. Retroactive application of the equity method to Noel's financial statements for periods prior to October 31, 1991, would not have a material effect. Accordingly, the equity method has been applied prospectively.

Cash and cash equivalents and short-term investments

Cash and cash equivalents include $2,639,000 of restricted cash at December 31, 1991. Short-term investments include $4,227,000 of restricted investments at March 31, 1992.

Investments

The equity method of accounting is used for common equity investments in which the Company's voting interest is from 20% through 50% and for limited partnership investments. Taxes are provided on the undistributed earnings of equity investments. The cost method of accounting is used for common equity investments in which the Company's voting interest is less than 20%. Any non-temporary decline in the value of any equity or cost basis investment is expensed at the time such decline is identified. Realized gains and losses are recorded on a specific identification basis.

Inventory

Inventory is stated at the lower of cost or market, determined by the FIFO method. Inventory at March 31, 1992 and December 31, 1991, consisted primarily of finished goods.

Foreign Currency Translation

In the fourth quarter of 1991, Sylvan Foods acquired Somycel S.A., a European company. Assets and liabilities of the non-U.S. operations of Sylvan Foods are translated into U.S. dollars using period-end exchange rates, while revenues and expenses are translated at average exchange rates throughout the period. The Company's pro rata share of the resulting net translation adjustments is recorded as a separate component of stockholders' equity.

Earnings (Loss) Per Common and Common Equivalent Share

Primary earnings per share are computed based on the weighted average number of shares of Noel common stock and dilutive equivalents during the respective periods. Stock options granted during 1991 have been treated as common stock equivalents for the period ended March 31, 1991 only, even though they are anti-dilutive, pursuant to the provisions of Staff Accounting Bulletin No. 83. Fully diluted earnings per common and common equivalent share have not been presented since the computation would be antidilutive.

2. **Investments:**

Summarized financial information for Global Natural Resources Inc. for the three months ended March 31, 1992 and 1991, is as follows (dollars in thousands):

	Three Months ended March 31,	
	1992	1991
Revenues	$12,673	$16,443
Operating costs and expenses	$11,344	$12,898
Net income	$ 404	$ 859

Summarized financial information for Sylvan Foods for the three months ended March 31, 1992 and 1991, is as follows (dollars in thousands):

	Three Months ended March 31,	
	1992	1991
Revenues	$26,443	$20,166
Operating costs and expenses	$23,595	$18,230
Net income	$ 1,764	$ 904

At March 31, 1992, a public market existed for the common stock of certain of Noel's investments. The closing price or average of the closing bid and asked price, the product of the number of shares and the market price (the "Market Value") and Noel's carrying amounts were as follows (dollars in thousands except per share amounts):

	March 31, 1992			
	Number of Shares	Market Price Per Share(1)	Market Value	Book Value
Global Natural Resources Inc.	5,886,700	$10.125	$ 59,603	$20,830
VISX, Incorporated	1,573,100	15.500	24,383	1,265
Sylvan Foods Holdings, Inc.	1,531,000	12.250	18,755	11,305
Garnet Resources Corporation	1,356,000	8.000	10,848	3,184
Health Management International Incorporated	962,500	3.250	3,128	1,877
			$116,717	$38,461

(1) Since the public market for these shares is limited and their sale, in some cases, is restricted by securities laws or by agreement, and because no control premium if any, has been reflected, the market prices per share should not be viewed as reflective of prices that might be obtained in future market transactions or transactions involving a substantial number of shares.

3. **Public Offering:**

On January 29, 1992, Noel completed a public offering of 10,000,000 shares of Common Stock. The net proceeds to Noel after underwriting discounts and commissions of $7,500,000 and estimated expenses of $1,500,000 were $101,000,000. The entire amount of estimated expenses of the public offering was deducted from capital in excess of par value at December 31, 1991.

Item 2. - Management's Discussion and Analysis of Financial Condition and Results of Operations:

Liquidity and Capital Resources

Except for working capital requirements, future cash needs of the Noel Group, Inc. ("Noel") will be dependent on management's acquisition decisions. At March 31, 1992, Noel had unrestricted cash and liquid investments of $109,141,000.

Upon the completion of its initial public offering of 10 million shares of Common Stock in January 1992 (the "Offering"), Noel's liquidity increased by approximately $101,000,000, the net proceeds of the Offering. Noel has invested the proceeds of the Offering in U.S. government securities which are included in cash and cash equivalents and short-term investments at March 31, 1992. The Offering proceeds will be utilized to finance Noel's future acquisitions, which have not yet been identified, and will also be available to fund Noel's working capital requirements and to support Noel's operating companies. It is management's intention that substantially all of the proceeds of the Offering be used to acquire controlling equity positions in established privately and publicly-held operating companies. The timing of such investments will depend on general market conditions and the availability of opportunities meeting Noel's business objectives.

Noel believes that its cash and cash equivalents and short-term investment balances are sufficient to fund its working capital requirements for the foreseeable future. Noel also expects that its operating companies will be able to meet their own working capital requirements, including debt service; however, if an operating company requires additional funding for the purpose of making acquisitions at the operating company level or to otherwise support growth, or suffers operating or cash flow deficits, Noel may fund such requirements.

Noel does not currently, nor does it expect to, receive cash dividends from any of its investee companies, and furthermore, Simmons Outdoor Corporation ("Simmons") is prohibited from paying dividends by an existing loan agreement.

As of December 31, 1991, Simmons was in non-compliance with certain covenants of its credit facility. In 1992, Simmons successfully negotiated a new credit facility with its lender with amended covenants. As part of the agreement, Noel has guaranteed $3,300,000 of Simmons' outstanding loan balance and also could be required to contribute $530,000 for a commitment made by Simmons.

Changes in Balance Sheet Accounts March 31, 1992 versus December 31, 1991:

Cash and Cash Equivalents and Short-term Investments:

Cash and cash equivalents and short-term investments increased by $101,596,000 primarily due to the proceeds from the Offering.

Accounts and Accruals Receivable, less Allowance for Doubtful Accounts:

Accounts and accruals receivable decreased by $2,340,000 primarily due to Noel's receipt of the proceeds from sales of marketable securities totalling $1,399,000, and the reduction of Simmons' net trade receivables of $1,050,000.

Stockholders' Equity:

The increase of $101,681,000 relates primarily to the Offering.

Results of Operations Three Months ended March 31, 1992 versus March 31, 1991:

Sales:

Sales of $3,519,000 in 1992 relate to Simmons which was acquired by Noel on July 12, 1991. Simmons' sales are seasonal, typically peaking during August through October.

Cost and Expense Items:

Cost of sales of $2,376,000 relate to Simmons. Selling, general administrative and other expenses increased to $2,697,000 in 1992 from $1,089,000 in 1991. The increase in these expenses of $1,608,000 reflects principally the inclusion of Simmons' expenses of $1,350,000 in 1992 only.

Other Income (Expense):

The interest expense of $137,000 in 1992 relates to the Simmons revolving credit facility.

Income from Investments:

Income from investments increased by $424,000 from $30,000 in 1991 to $454,000 in 1992. The investment income in 1992 relates primarily to Noel's equity income related to its investment in Sylvan Foods Holdings, Inc. ("Sylvan Foods"). Noel increased its holding in Sylvan Foods common stock to 25% effective October 31, 1991. The results of Sylvan Foods are included in Noel's results using the equity method of accounting from that date.

PART II - OTHER INFORMATION

Item 1. - Legal Proceedings

There are no pending material legal proceedings to which Noel or its subsidiary is a party or to which any of their property is subject, other than ordinary routine litigation incidental to their respective businesses.

Item 6. - Exhibits and Reports on Form 8-K

a) Exhibits

(2)	Not Applicable
(4)	Not Applicable
(11)	Not Applicable
(15)	Not Applicable
(18)	Not Applicable
(19)	Not Applicable
(20)	Not Applicable
(23)	Not Applicable
(24)	Not Applicable
(25)	Not Applicable
(28)	Not Applicable

(b) Reports on Form 8-K

None

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NOEL GROUP, INC.

Date: May 14, 1992

By: Todd K. West
Todd K. West

Vice President - Finance,
Treasurer and Secretary
(As both a duly authorized officer of Registrant and as chief accounting officer of Registrant)